

PROPOSED CONSTITUTIONAL AMENDMENTS

SENATE JOINT RESOLUTIONS

S.J.R. No. 5

SENATE JOINT RESOLUTION

proposing a constitutional amendment providing for the issuance of general obligation bonds by the Texas Higher Education Coordinating Board.

Be it resolved by the Legislature of the State of Texas:

SECTION 1. Article III of the Texas Constitution is amended by adding Section 50b-3 to read as follows:

Sec. 50b-3. ADDITIONAL STUDENT LOANS. (a) The legislature by general law may authorize the Texas Higher Education Coordinating Board or its successor or successors to issue and sell general obligation bonds of the State of Texas in an amount not to exceed \$300 million to finance educational loans to students. The bonds are in addition to those bonds issued under Sections 50b, 50b-1, and 50b-2 of Article III of this constitution.

(b) The bonds shall be executed in the form, on the terms, and in the denominations, bear interest, and be issued in installments, as prescribed by the Texas Higher Education Coordinating Board or its successor or successors.

(c) The maximum net effective interest rate to be borne by bonds issued under this section must be set by law.

(d) The legislature may provide for the investment of bond proceeds and may establish and provide for the investment of an interest and sinking fund to pay the bonds. Income from the investment shall be used for the purposes prescribed by the legislature.

(e) While any of the bonds issued under this section or interest on the bonds is outstanding and unpaid, there is appropriated out of the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, the amount sufficient to pay the principal of and interest on the bonds that mature or become due during the fiscal year, less any amount in an interest and sinking fund established under this section at the end of the preceding fiscal year that is pledged to the payment of the bonds or interest.

(f) Bonds issued under this section, after approval by the attorney general, registration by the comptroller of public accounts, and delivery to the purchasers, are incontestable.

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held on the earlier of the first date on which another election on a constitutional amendment proposed by the 72nd Legislature, Regular Session, 1991, is held or November 5, 1991. The ballot shall be printed to provide for voting for or against the proposition: "The constitutional amendment providing for the issuance of general obligation bonds to provide educational loans to students."

Adopted by the Senate on February 4, 1991, by the following vote: Yeas 29, Nays 0.

Adopted by the House on February 21, 1991, by the following vote: Yeas 130, Nays 1.

Filed with the Secretary of State, February 25, 1991.